

**PROPOSED AMENDMENTS TO
HOUSE BILL 2832**

1 In line 2 of the printed bill, after “services” insert “; creating new pro-
2 visions; and amending ORS 352.129”.

3 After line 2, insert:

4 “Whereas Title IV financial aid funds are available to enable students to
5 fund their educations; and

6 “Whereas post-secondary institutions of education are required to meet
7 Title IV regulations in disbursement of Title IV financial aid funds; and

8 “Whereas post-secondary institutions of education are increasingly rely-
9 ing on for-profit providers to disburse Title IV financial aid funds to students
10 enrolled in the post-secondary institutions of education to reduce costs to the
11 institutions; and

12 “Whereas some post-secondary institutions of education receive financial
13 incentives from the for-profit providers that may create conflicts of interest
14 between a post-secondary institution of education and the students enrolled
15 in the post-secondary institution of education; and

16 “Whereas post-secondary institutions of education do not monitor all ac-
17 tivities of for-profit providers to ensure compliance with Title IV regulations
18 and do not prevent for-profit providers from engaging in marketing and other
19 strategies designed to persuade students enrolled in the post-secondary in-
20 stitutions of education to choose to utilize certain for-profit providers for
21 purposes of disbursement and management of Title IV financial aid funds;
22 and

1 “Whereas for-profit providers charge fees to students that are unique to
2 the provider or are substantially higher than the fees charged by alternative
3 providers of disbursement and management services; and

4 “Whereas many students incur a high debt burden to attend post-
5 secondary institutions of education and the fees and transaction costs
6 charged to students by for-profit providers exacerbate this debt burden; now,
7 therefore,”.

8 Delete lines 4 through 22 and insert:

9 **“SECTION 1. As used in sections 1 to 3 of this 2015 Act:**

10 **“(1) ‘Revenue sharing’ means payment from a third party financial**
11 **firm to a public or private post-secondary institution of education**
12 **based on the balances or account activity of the accounts offered by**
13 **the third party financial firm to students enrolled at the public or**
14 **private post-secondary institution of education.**

15 **“(2) ‘Third party financial firm’ means a company, business or**
16 **other organization that contracts with a public or private post-**
17 **secondary institution of education to provide disbursement and man-**
18 **agement services of financial aid funds, or management of financial**
19 **accounts, to students enrolled in the public or private post-secondary**
20 **institution of education.**

21 **“SECTION 2. (1) When contracting with third party financial firms,**
22 **the governing board or governing entity of a public or private post-**
23 **secondary institution of education that enrolls one or more students**
24 **who receive state or federal financial aid shall review and approve a**
25 **contract after considering guidelines and policies established and re-**
26 **commended by the United States Consumer Financial Protection Bu-**
27 **reau and the United States Department of Education.**

28 **“(2) A contract between a public or private post-secondary institu-**
29 **tion of education and a third party financial firm may not permit:**

30 **“(a) Revenue sharing;**

1 **“(b) The third party financial firm to charge a fee for the initial**
2 **disbursement of the financial aid funds in an academic term to the**
3 **student in a paper check or in an electronic funds transfer;**

4 **“(c) The third party financial firm to charge a transaction fee for**
5 **debit or similar transactions from an account; or**

6 **“(d) The third party financial firm to charge a fee for inactivity in**
7 **an account.**

8 **“(3) A public or private post-secondary institution of education that**
9 **contracts with a third party financial firm shall, after redacting from**
10 **the contract information exempted from disclosure under ORS 192.410**
11 **to 192.505:**

12 **“(a) Make the contract available for public inspection; and**

13 **“(b) Publish the contract on the website operated by or for the**
14 **public or private post-secondary institution of education.**

15 **“SECTION 3. A student who is enrolled in a public or private post-**
16 **secondary institution of education that contracts with a third party**
17 **financial firm, and who uses the third party financial firm for dis-**
18 **bursement and management services of financial aid funds, has a pri-**
19 **vate right of action against the third party financial firm. This private**
20 **right supersedes an arbitration or mediation clause included in an**
21 **agreement between the student and the third party financial firm.**

22 **“SECTION 4. ORS 352.129 is amended to read:**

23 **“352.129. (1) Notwithstanding ORS 352.102 and 352.107 and section 169,**
24 **chapter 768, Oregon Laws 2013, the amendments to ORS 243.107 and 351.094**
25 **by sections 88 and 113, chapter 768, Oregon Laws 2013, and the operative date**
26 **set forth in section 171, chapter 768, Oregon Laws 2013, a university with a**
27 **governing board shall continue to participate with other public universities**
28 **listed in ORS 352.002 in all shared administrative services relating to:**

29 **“(a) Employee benefits, including but not limited to group insurance or**
30 **deferred compensation plans authorized by ORS 351.094;**

1 “(b) Collective bargaining with any statewide bargaining unit that in-
2 cludes employees of two or more public universities listed in ORS 352.002;
3 and

4 “(c) Risk management, the purchase of insurance or the management of
5 a self-insurance program authorized by ORS 351.096 or 352.107.

6 “(2) The shared administrative services listed in subsection (1) of this
7 section must be done under the same terms, conditions, funding model and
8 policy frameworks as those that exist on August 14, 2013, until July 1, 2015.
9 On and after July 1, 2015, public universities listed in ORS 352.002 may
10 choose to participate in shared services under an alternative shared services
11 model.

12 “(3)(a) Two or more public universities listed in ORS 352.002, including
13 universities with governing boards, may participate in shared services not
14 described in subsection (1) of this section, including but not limited to shared
15 services involving legal services and information technology.

16 “(b) **If a public university listed in ORS 352.002, or a community**
17 **college, negotiates a contract with one or more third party financial**
18 **firms, as defined in section 1 of this 2015 Act, to provide disbursement**
19 **and management services of financial aid funds to enrolled students,**
20 **the public university or community college shall undertake reasonable**
21 **efforts to establish collaboration agreements with other public uni-**
22 **versities or community colleges to negotiate the services.**

23 “(4) Pursuant to ORS 352.025, and in order to ensure that the establish-
24 ment of universities with governing boards does not negatively impact public
25 universities that do not have governing boards, if a university with a gov-
26 erning board stops participating in a service shared by two or more public
27 universities listed in ORS 352.002, including but not limited to the shared
28 services listed in this section, and the withdrawal from the service has a
29 negative effect on the remaining public universities, the Higher Education
30 Coordinating Commission shall compensate universities suffering a negative

1 impact through either reduction of appropriations made to the university
2 with a governing board or any other method found to be appropriate by the
3 commission.

4 “(5) The office of the Chancellor of the Oregon University System shall
5 coordinate public university shared services described in this section until
6 a new entity to coordinate shared services is operational.”.

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